

# Canadian Cottons Limited

MONTREAL, CANADA

## TENTH ANNUAL REPORT

FOR YEAR ENDING 31st MARCH, 1920

PRESENTED TO THE SHAREHOLDERS  
AT THE ANNUAL MEETING OF THE COMPANY  
HELD AT MONTREAL, THE 25th MAY, 1920

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## BOARD OF DIRECTORS

### *President*

CHAS. R. HOSMER

### *Vice-President*

A. O. DAWSON

HON. F. L. BEIQUE, K.C.    A. A. MORRICE  
GEORGE CAVERHILL    SIR H. MONTAGU ALLAN  
W. J. MORRICE

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A. O. DAWSON, *Managing Director*

A. BRUCE, *Secretary-Treasurer*

# Canadian Cottons Limited

## TO THE SHAREHOLDERS:

**Y**OUR Directors are pleased to submit to the Shareholders their 10th Annual Report of the operations of the Company for the year ending 31st March, 1920.

The Manufacturing Profits, Rentals and Interest on Investments amount to \$1,838,443.29, after making allowance for Excess Profit Taxes, as compared with \$1,563,103.82 last year.

Bond Interest and Dividends on Preferred and Common shares were paid, amounting to \$573,857.50.

There was added to Reserve for Depreciation \$400,000, and \$10,000 was reserved for Bad Debts. A further sum of \$400,000 was appropriated for special Renewals and Replacements, leaving a balance of \$454,585.79 to carry to the credit of Profit and Loss Account, which, at the close of the year, amounts to \$2,683,479.10.

Repairs to the property and Renewals during the year have been unusually heavy, but these are fully justified in the general improvement of the several plants.

The sale of the properties of the Mount Royal Spinning Mill, assented to at the last Annual General Meeting of Shareholders, has been consummated. The securities received in payment and representing the purchase price are held by the Royal Trust Company, in trust, as shown in the General Statement.

It will be noted that the Company now holds securities fully equal in value to the amount of the Bond Issue.

The bonds of sympathy between the Company and its Employees have been further strengthened through the introduction of a Profit-Sharing Scheme whereby every worker participates in the profits through increased production. This scheme is fully meeting the expectations of your Directors.

For the protection of the families of the men and women working in the Mills, Group Insurance was inaugurated on January 1st, 1920, solely at the Company's expense. Since that time several of our oldest workers have been called by death, and the amounts paid to the widows and families have helped to tide them over a trying period.

The demand for the product of the Mills is all that could be desired, and your Directors anticipate another year of prosperity.

The Books and Accounts of the Company have been duly audited, and the Auditor's Report is submitted herewith.

Respectfully submitted,

CHAS. R. HOSMER,

*President.*



# Canadian Cotton

## MANUFACTURING

FOR YEAR ENDING

DR.

|                                                                                                                                                              |           |                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------|
| To Raw Material, Manufacturing Cost, Marketing<br>of Products, Administration, Repairs, Maintenance,<br>proportion deferred charges and War<br>Taxes to date | - - - - - | \$9,709,070.81 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------|

|                                        |     |                        |
|----------------------------------------|-----|------------------------|
| To Balance                             |     |                        |
| Net Profits to Profit and Loss Account | - - | 1,581,045.33           |
|                                        |     | <u>\$11,290,116.14</u> |

## PROFIT AND LOSS

FOR YEAR ENDING

|                                                                      |         |                       |
|----------------------------------------------------------------------|---------|-----------------------|
| To Bond Interest on net amount<br>outstanding-                       | - - -   | \$177,660.00          |
| Four Dividends of 1½% each on<br>Preferred Shares                    | - -     | 219,690.00            |
| Two Dividends of 1½% each and<br>two of 1¼% each on Common<br>Shares | - - - - | <u>176,507.50</u>     |
|                                                                      |         | \$573,857.50          |
| Reserve for Bad Debts                                                | - -     | 10,000.00             |
| Reserve for Special Replacements                                     |         | 400,000.00            |
| Depreciation on Plant                                                | - -     | 400,000.00            |
| Balance forward                                                      | - - -   | 454,585.79            |
|                                                                      |         | <u>\$1,838,443.29</u> |

# ons, Limited

## NG ACCOUNT

31ST MARCH, 1920

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By Sales - - - - - \$11,148,438.48

Add inventory of Cloth and Cotton in process of

Manufacture, 31st March, 1920 - - - 707,249.56

\$11,855,688.04

Less inventory of Cloth and Process on hand

31st March, 1919 - - - - - 565,571.90

\$11,290,116.14

## LOSS ACCOUNT

31ST MARCH, 1920

By Net Manufacturing Profits - - - - \$1,581,045.33

" Rental, Mount Royal

Spinning Mill - - \$82,500.00

" Interest on Trust Funds - 79,108.50

" Interest on Investments - 95,789.46

257,397.96

\$1,838,443.29

# Canadian Co

## GENERAL

YEAR ENDING

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### ASSETS

Cash - - - - - \$281,180.80

Book Debts, net cash basis, Bills

Receivable and Sundry Open

Accounts - - - - - 1,468,003.12

#### Inventory of

Cloth - - - \$490,911.81

Process and Yarns 223,971.74

Raw Cotton - 1,176,889.28

Supplies - - 150,639.29

Insurance unearned 85,000.00

2,127,412.12

Dominion War Loan Bonds - 933,511.55

Total Current Assets \$4,810,107.59

Bonds, in Treasury and for Sinking

Fund - - - - - 1,069,050.53

Stocks in other Companies - - 274,563.39

Securities held in trust, being proceeds

of properties sold - - - 2,379,000.00

#### PROPERTIES

Mills, Properties, Plants, Waterpowers, etc. - 8,422,491.05

\$16,955,212.56

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Montreal, 4th May, 1920

Verified, ARTHUR H. PLIMSOLL, F.C.A. (Can.), Auditor.



# ons, Limited

## STATEMENT

1ST MARCH, 1920

### LIABILITIES

|                                   |                |                |
|-----------------------------------|----------------|----------------|
| Bank Advances - - -               | \$1,358,217.06 |                |
| Open Accounts including Estimated |                |                |
| Tax Reserve - - -                 | 988,073.46     |                |
| Bond Interest accrued and Divi-   |                |                |
| dends payable April 4th - -       | 138,923.75     |                |
| Bills payable - - -               | 142,414.19     |                |
| Total Current Liability           |                | \$2,627,628.46 |

|                      |              |              |
|----------------------|--------------|--------------|
| <u>BONDS</u> - - - - | 5,000,000.00 |              |
| Less Redeemed - - -  | 432,895.00   |              |
|                      |              | 4,567,105.00 |

### CAPITAL

|                                  |              |  |
|----------------------------------|--------------|--|
| Preferred Authorized,            |              |  |
| \$4,500,000.00 - - Issued        | 3,661,500.00 |  |
| Common Authorized,               |              |  |
| \$3,500,000.00 - - Issued        | 2,715,500.00 |  |
| Reserve for Bad Debts - -        | 100,000.00   |  |
| Reserve for Special Replacements | 600,000.00   |  |

### SURPLUS

|                                 |              |              |
|---------------------------------|--------------|--------------|
| Balance at Credit of Profit and |              |              |
| Loss, 31st March, 1919 -        | 2,228,893.31 |              |
| Balance of Profits to           |              |              |
| 31st March, 1920                | 454,585.79   |              |
|                                 |              | 2,683,479.10 |

### INDIRECT LIABILITIES

|                                 |              |                 |
|---------------------------------|--------------|-----------------|
| Customers' paper under discount | \$140,976.38 | \$16,955,212.56 |
|---------------------------------|--------------|-----------------|

C. R. HOSMER }  
A. O. DAWSON } Directors.

A. BRUCE,  
Secretary-Treasurer

## AUDITOR'S CERTIFICATE

I have examined the Books and Accounts of Canadian Cottons, Limited, for the year ending the 31st March, 1920.

I have obtained all the information and explanations required, and now certify that, in my opinion, the foregoing statements and balance sheet are properly drawn up so as to exhibit a true and correct view of the year's operations and of the state of the Company's affairs at its close, according to the best of my information and the explanations given to me and as then shown by the books of the Company.

ARTHUR H. PLIMSOLL,  
F.C.A. (Can.)

Montreal, May 4th, 1920.

## W. D. O'NEAL'S CERTIFICATE

This is to certify that the within and foregoing is a true and correct copy of the original as the same appears in the records of the County of [ ] State of [ ]

I, the undersigned, Clerk of the County of [ ] State of [ ] do hereby certify that the within and foregoing is a true and correct copy of the original as the same appears in the records of the County of [ ] State of [ ]

Witness my hand and seal of office this [ ] day of [ ] A.D. 19[ ]

W. D. O'NEAL, Clerk of the County of [ ] State of [ ]

Recorded for [ ]

